

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Mark Blasdel, on March 10, 2011 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Mark Blasdel, Chairman (R)
Rep. Dick Barrett, Vice Chairman (D)
Rep. Mike Miller, Vice Chairman (R)
Rep. Steve Fitzpatrick (R)
Rep. Kelly Flynn (R)
Rep. Alan Hale (R)
Rep. Brian Hoven (R)
Rep. Austin Knudsen (R)
Rep. Mary McNally (D)
Rep. Jerry O'Neil (R)
Rep. Lee Randall (R)
Rep. Wayne Stahl (R)

Members Excused: Rep. Steve Lavin (R)
Rep. Max Yates (R)

Members Absent: Rep. Sue Malek (D)
Rep. Edith (Edie) McClafferty (D)
Rep. Mike Phillips (D)
Rep. Janna Taylor (R)
Rep. Kathleen Williams (D)

Staff Present: Lisa Adams, Committee Secretary
Jeff Martin, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 577, 3/8/2011; HB 598, 3/8/2011; SB 1, 3/8/2011

Executive Action: HB 567; SB 75; SB 166

HEARING ON HB 598**Opening Statement by Sponsor:**

00:00:01 Rep. Austin Knudsen (R), HD 36, opened the hearing on HB 598, Revise tax laws by conforming to federal law for net operating losses.

00:00:18 Rep. Yates arrived.

00:00:20 Rep. Williams arrived.

00:00:27 Rep. Malek arrived.

00:02:34 Rep. Phillips arrived.

Proponents' Testimony:

00:03:30 Bill Squires, Black Foot Telecommunications Group, Missoula, Montana

00:04:28 Rep. Stahl left.

00:09:02 Geoff Feiss, General Manager, Montana Telecommunications Association

00:09:38 Rep. Taylor arrived.

00:13:18 George S. Olsen, Montana Society of Certified Public Accountants

EXHIBIT(tah54a01)

00:15:00 Rep. Stahl arrived.

00:15:01 Rep. Stahl left.

00:19:36 Chairman Blasdel left.

00:20:08 Nancy Schlepp, Montana Farm Bureau Federation

00:20:34 Tom Ebzery, Tax Committee, Montana Petroleum Association

Opponents' Testimony:

00:21:10 Dan Bucks, Director, Montana Department of Revenue (DOR)

00:25:50 Chairman Blasdel arrived.

00:49:04 Rep. Phillips left.

00:49:33 Rep. Stahl arrived.

00:49:44 Rep. Stahl left.

Informational Testimony:

00:50:35 Brian Staley, Unit Manager, Corporation Tax, DOR

Questions from Committee Members and Responses:

00:50:48 Rep. Barrett

00:51:27 Rep. Phillips arrived.

00:51:48 Mr. Olsen

00:51:58 Rep. Barrett

00:52:02 Rep. Lavin arrived.

00:52:10 Mr. Staley, DOR

00:52:30 Rep. Barrett

00:53:31 Mr. Staley

00:54:09 Rep. Fitzpatrick

00:54:45 Dir. Bucks

00:55:47 Rep. Fitzpatrick

00:56:14 Dir. Bucks

00:58:08 Rep. Fitzpatrick

00:58:21 Rep. Stahl arrived.

00:58:22 Dir. Bucks

00:59:31 Rep. Malek
01:00:06 Rep. Yates left.
01:00:14 Mr. Squires
01:01:29 Rep. Malek
01:01:47 Mr. Squires
01:02:18 Rep. Malek
01:03:26 Mr. Squires
01:04:12 Rep. Phillips left.
01:05:33 Rep. Malek
01:05:52 Rep. Randall left.
01:06:01 Dir. Bucks
01:07:51 Vice Chairman Miller
01:08:17 Dir. Bucks
01:08:54 Vice Chairman Miller
01:09:06 Dir. Bucks
01:10:00 Rep. McNally
01:10:19 Rep. Hale left.
01:10:49 Mr. Olsen
01:11:37 Rep. McNally
01:11:57 Mr. Olsen
01:12:54 Rep. Barrett
01:13:05 Rep. Phillips arrived.
01:13:57 Rep. Hale arrived.
01:14:19 Vice Chairman Miller left.
01:14:37 Mr. Squires
01:16:12 Rep. Barrett
01:17:31 Dir. Bucks
01:18:06 Rep. Stahl left.
01:20:17 Rep. Stahl arrived.
01:20:29 Vice Chairman Miller arrived.
01:21:43 Rep. Randall arrived.
01:21:51 Rep. O'Neil
01:21:56 Rep. Barrett left.
01:22:09 Dir. Bucks
01:22:25 Rep. Randall left.
01:22:44 Rep. O'Neil
01:23:01 Dir. Bucks
01:23:42 Rep. Phillips
01:23:57 Rep. Barrett arrived.
01:24:09 Mr. Squires
01:24:50 Rep. Phillips
01:25:17 Mr. Squires
01:25:31 Rep. Fitzpatrick
01:25:59 Dir. Bucks
01:27:19 Rep. Fitzpatrick
01:27:34 Dir. Bucks
01:27:45 Rep. Hoven
01:28:15 Dir. Bucks
01:29:44 Rep. Williams
01:30:19 Dir. Bucks

Closing by Sponsor:

01:31:39 Rep. Knudsen

HEARING ON HB 577**Opening Statement by Sponsor:**

01:36:15 Rep. Wayne Stahl (R), HD 35, opened the hearing on HB 577, Revise taxes by removing tip income for unemployment and work comp purposes.

01:36:49 Rep. Randall arrived.

01:37:00 Rep. Malek and Rep. McNally left.

01:37:22 Rep. McNally arrived.

Proponents' Testimony:

01:39:50 Brad Griffin, Executive Director, Montana Restaurant Association

01:41:14 Rep. Malek arrived.

01:41:59 Bill Honaker, Board Member, Montana Restaurant Association

Opponents' Testimony:

01:44:43 Andrea Olsen, Montana Trial Lawyer's Association (MTLA)

Informational Testimony:

01:49:46 Keith Kelly, Commissioner, Department of Labor and Industry (DLI)

01:51:40 Brian Olsen, Individual Income Tax Specialist, DOR

Questions from Committee Members and Responses:

01:51:55 Rep. Barrett

01:52:38 Mr. Kelly

01:52:47 Rep. Barrett

01:53:30 Mr. Kelly

01:53:45 Rep. Barrett

01:54:14 Mr. Kelly

01:54:21 Rep. Lavin left.

01:54:35 Rep. Barrett

01:54:45 Mr. Kelly

01:54:56 Rep. Barrett

01:55:00 Mr. Kelly

01:55:04 Rep. Hoven

01:55:40 Mr. Kelly

01:56:14 Rep. Hoven

01:56:21 Mr. Kelly

01:56:46 Rep. Fitzpatrick

01:57:04 Mr. Kelly

01:57:14 Rep. Fitzpatrick

01:57:28 Mr. Kelly

01:57:46 Rep. Fitzpatrick

01:57:57 Mr. Kelly

01:58:29 Rep. Hoven

01:58:46 Mr. Honaker

01:59:16 Rep. Hoven

01:59:26 Mr. Honaker
 01:59:40 Rep. Taylor
 01:59:50 Chairman Blasdel
 01:59:58 Rep. Taylor
 02:00:14 Mr. Kelly
 02:00:38 Rep. Taylor
 02:00:50 Mr. Kelly
 02:00:52 Rep. Taylor
 02:01:03 Mr. Kelly
 02:01:13 Chairman Blasdel
 02:01:20 Mr. Kelly
 02:01:28 Jerry Keck, Administrator, Employment Relations Division, DLI
 02:03:18 Rep. Malek
 02:03:43 Mr. Honaker
 02:04:05 Rep. Malek
 02:04:11 Mr. Honaker
 02:04:19 Rep. Malek
 02:04:54 Mr. Honaker
 02:06:14 Rep. Malek
 02:06:34 Mr. Honaker

Closing by Sponsor:

02:07:02 Rep. Stahl

 02:07:10 Rep. Hale arrived.
 02:09:34 Recess
 02:27:43 Resumed with everyone returned except Rep. Stahl, Rep. McNally, Rep. Malek, Rep. Taylor, Rep. Phillips, Rep. McClafferty, and Rep. Yates

HEARING ON SB 1

Opening Statement by Sponsor:

02:27:52 Sen. Bruce Tutvedt (R), SD 3, opened the hearing on SB 1, Amend assessment of rural SIDs and SIDs with parcel increases.

 02:29:25 Rep. McClafferty, Rep. Malek and Rep. Phillips arrived.

Proponents' Testimony:

02:30:44 Harold Blattie, Executive Director, Montana Association of Counties (MACo)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

02:33:24 Rep. Barrett
 02:33:38 Sen. Tutvedt

Closing by Sponsor:

02:33:51 Sen. Tutvedt

EXECUTIVE ACTION ON HB 567

02:36:52 **Motion:** Rep. O'Neil moved that **HB 567 DO PASS.**

02:37:24 **Motion:** Rep. Miller moved that **HB 567 BE AMENDED.**
EXHIBIT(tah54a02)

Discussion:

02:37:43 Mr. Martin

02:38:03 Rep. McNally and Rep. Stahl arrived.

02:38:23 Rep. Barrett

02:38:58 **Vote:** Motion carried 18-0 by voice vote, Rep. Yates voted by proxy. Rep. Taylor not present and did not vote.

Discussion:

02:39:43 Rep. Barrett

02:40:02 Rep. Taylor arrived.

02:40:33 Rep. Phillips

02:41:13 **Vote:** Motion carried unanimously by voice vote. Rep. Yates voted by proxy.

EXECUTIVE ACTION ON SB 75

02:42:10 **Motion:** Rep. Miller moved that **SB 75 BE CONCURRED IN.**

02:42:51 **Motion:** Rep. Stahl moved that **SB 75 BE CONCURRED IN AS AMENDED.**
EXHIBIT(tah54a03)

Discussion:

02:44:03 Rep. Williams

02:44:31 Rep. Barrett

02:45:28 Rep. Stahl

02:46:00 Rep. Barrett

02:46:13 Mr. Martin

02:46:48 Rep. Barrett

02:47:13 Rep. Stahl

02:47:21 Vice Chairman Miller withdrew motion on bill and amendment.

EXECUTIVE ACTION ON SB 166

02:47:57 **Motion/Vote:** Rep. Miller moved that **SB 166 BE CONCURRED IN.** Motion carried unanimously by voice vote. Rep. Yates voted by proxy. Rep. Lavin will carry the bill.

ADJOURNMENT

02:47:58 Adjournment: 10:48 a.m.

Lisa Adams, Secretary

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Additional Documents:

EXHIBIT([tah54aad.pdf](#))